

Message Text

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USMISSION GENEVA

AMEMBASSY MADRID

AMEMBASSY OSLO

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

USMISSION NATO

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C O N F I D E N T I A L SECTION 1 OF 2 LISBON 5538

E.O. 11652: GDS

TAGS: ELAB, MINT, PO

SUBJECT: SOCIALISTS STUMBLE TOWARD NATIONAL LABOR CONGRESS

REF: LISBON 4707 (DTG 131640Z JUL 76)

SUMMARY: IN EARLY 1976 SOCIALIST-LED UNIONS, CONFIDENT OF THEIR GROWING STRENGTH, CALLED FOR A NATIONAL LABOR CONGRESS TO CREATE A NEW, UNIFIED NATIONAL LABOR CONFEDERATION. THE COMMUNIST-DOMINATED INTERSINDICAL HAS NOW ADOPTED THE SOCIALIST PROPOSAL AS ITS OWN. DEMOCRATIC UNIONS ARE DIVIDED ON STRATEGY, SOME FAVORING A UNIFIED LABOR MOVEMENT ON DOCTRINAIRE GROUNDS WHILE OTHERS, MORE CONSCIOUS OF THE PROBABLE POLITICAL CONSEQUENCES, FEAR THAT THE SOCIALISTS HAVE FALLEN INTO A TRAP OF THEIR OWN
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MAKING. SOARES REPORTEDLY FAVORS CONTINUING

NEGOTIATIONS WITH INTERSINDICAL REGARDING THE HOLDING OF THE LABOR CONGRESS, APPARENTLY IN HOPE THAT THE PCP WILL THEREBY BE RESTRAINED FROM FOMENTING LABOR AGITATION. END SUMMARY.

1. BACKGROUND: IN EARLY FEBRUARY SOCIALIST-LED LABOR UNIONS, MEETING IN AVEIRO, CALLED FOR THE CREATION OF A "SINGLE DEMOCRATIC AND INDEPENDENT LABOR CENTER, TO BE CREATED BY A NATIONAL CONGRESS OF ALL PORTUGUESE UNIONS. AT THIS TIME THE SOCIALISTS WERE HEADY FROM THE POLITICAL DEFEAT OF THE COMMUNISTS FOLLOWING THE ATTEMPTED LEFTIST COUP OF NOVEMBER 25, AND SOCIALIST VICTORIES IN A NUMBER OF UNION ELECTIONS.

2. THE SOCIALIST CALL FOR A REUNIFIED LABOR MOVEMENT WAS NOT ADOPTED WITHOUT CONSIDERABLE INTERNAL DIVISION AND DEBATE. HOWEVER, THE DECISION IN FAVOR OF A UNIFIED LABOR MOVEMENT WAS UNDERLINED BY AN OPEN LETTER OF APRIL 27 SIGNED BY 16 UNIONS AGAIN CALLING FOR A NATIONAL LABOR CONGRESS OF ALL PORTUGUESE UNIONS.

3. THIS SAME OVERCONFIDENCE LED THE SOCIALIST UNIONS TO AGREE TO A JOINT OBSERVANCE OF MAY 1 LABOR DAY FESTIVITIES WITH INTERSINDICAL. THE JOINT OBSERVANCE REDOUNDED TO BENEFIT OF INTERSINDICAL, BESTOWING LEGITIMACY UPON THE DISCREDITED COMMUNIST-DOMINATED CONFEDERATION. THE SOCIALIST UNIONS AGAIN FOUND THEMSELVES OUT-ORGANIZED AND MANIPULATED BY THE COMMUNISTS. THE PS THOUGHT AT THAT TIME THAT IT HAD WON A VICTORY OF OBTAINING INTERSINDICAL ENDORSEMENT OF THE NATIONAL LABOR CONGRESS.

4. RESURGENCE OF INTERSINDICAL: DURING JUNE AND JULY THE RESURGENCE OF THE COMMUNIST-LED UNIONS CAUSED A PROFOUND SHIFT OF POLICIES. THE SOCIALISTS, PREVIOUSLY THE PROMOTERS OF THE LABOR CONGRESS, BEGAN TO HAVE SECOND THOUGHTS. INTERSINDICAL, EARLIER COOL TO THE IDEA, NOW ADOPTED THE CONGRESS AS ITS OWN AND BEGAN TO PRESS FOR IT TO BE HELD AS EARLY AS POSSIBLE, I.E., SEPTEMBER OR OCTOBER. INTERSINDICAL SPONSORED COMMISSIONS AND "REGIONAL UNIONS" HELD A SERIES OF WELL CONFIDENTIAL

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PUBLICIZED PREPARATORY MEETINGS FOR THE CONGRESS.

5. SOCIALIST UNIONS RESPOND: THIRTY-SIX SOCIALIST UNIONS, MEETING IN COIMBRA JULY 21-22, REACTED TO INTERSINDICAL'S ATTEMPT TO STAMPEDE THEM INTO A HASTILY CALLED CONGRESS. THE SOCIALIST UNIONS AGREED THAT THE CONGRESS SHOULD NOT BE HELD BEFORE JANUARY, 1977. THEY ALSO PASSED A RESOLUTION CALLING FOR ALL PREPARATIONS

FOR THE CONGRESS TO BE MADE BY A NATIONAL ORGANIZING COMMISSION, COMPOSED EQUALLY OF UNIONS AFFILIATED AND NON-AFFILIATED WITH INTERSINDICAL, AND THAT ALL DECISIONS SHOULD REQUIRE APPROVAL BY THREE-FOURTHS OF THE UNIONS FORMING THE COMMISSION. CONCURRENTLY, THE COIMBRA MEETING ALSO CREATED A COMMITTEE OF TEN SOCIALIST UNIONS TO OUTLINE THE GOALS OF DEMOCRATIC UNIONISM IN PORTUGAL.

6. DEMOCRATIC UNIONS DIVIDED: THERE IS A BASIC DIS-AGREEMENT EVIDENT AMONG THE DEMOCRATIC UNIONS ON THE BEST STRATEGY FOR DEALING WITH INTERSINDICAL. NORTHERN WHILE COLLAR UNIONS, SUCH AS THE OPORTO BANK WORKERS WHERE PPD INFLUENCE IS PREDOMINANT, ARE OPPOSED TO ANY UNIFIED LABOR CONFEDERATION WHICH WOULD INCLUDE COMMUNIST-LED UNIONS. THE SOCIALISTS ARE SPLIT AMONG THEMSELVES. THE PARTY'S LEFT-WINGERS, WHO HAVE DISPROPORTIONATE STRENGTH IN THE SOCIALIST LABOR SECTOR, TAKE A DOCTRINAIRE STAND FAVORING LABOR UNITY ALMOST WITHOUT REGARD TO THE POLITICAL CONSEQUENCES. MORE RESPONSIBLE SOCIALIST LEADERS VOICE CONCERN THAT THEY HAVE FALLED INTO A TRAP OF THEIR OWN MAKING.

7. SOCIALIST LEADERS ATTITUDES TOWARD LABOR CONGRESS: LABOR MINISTER MARCELO CURTO, EARLIER A PROPONENT OF THE CONGRESS, TOLD LABATT AUGUST 5 THAT HE BELIEVED THE PS WAS FOOLISH IN CONTINUING NEGOTIATIONS WITH INTERSINDICAL. HE THOUGHT IT BETTER TO ESTABLISH CONDITIONS FOR HOLDING THE CONGRESS WHICH INTERSINDICAL COULD NOT MEET. HOWEVER, CURTO SAID THAT MARIO SOARES - OVERRIDING CURTO'S RESERVATIONS - INSISTED ON CONTINUING NEGOTIATIONS REGARDING THE CONGRESS AT LEAST UNTIL THE END OF 1976. THE SOCIALIST PARTY'S CHIEF LABOR ORGANIZER, NATIONAL DEPUTY AIRES RODRIGUES, EMPHASIZED TO LABATT AUGUST 3

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THAT THE PRINCIPLE OF LABOR UNITY IS SO ESTEEMED BY THE RANK AND FILE THAT IT IS ESSENTIAL THAT BLAME FOR ANY FAILURE TO HOLD THE CONGRESS MUST CLEARLY REST WITH

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INTERSINDICAL. AT THE SAME TIME, HE ARGUES THAT THE
PS WILL ONLY GO INTO A CONGRESS UNDER CONDITIONS GUARANTEEING
A FAVORABLE OUTCOME.

8. PRESENT STATUS OF PREPARATIONS: AS MIGHT BE EXPECTED,
THERE IS BEGINNING TO BE CONSIDERABLE PUSHING AND
SHOVING AT THE LOCAL UNION LEVEL AS THE DEMOCRATIC AND
INTERSINDICAL FORCES MARSHAL THEIR STRENGTH IN PRE-
PARATION FOR AN EVENTUAL CONGRESS. THE COMMUNISTS ARE
OUT-PERFORMING THEIR RIVALS AND INTERSINDICAL HAS PRO-
POSED STATUTES WHICH WOULD PREDETERMINE THE OUTCOME.
NEW MINI-UNIONS OF AGRARIAN WORKERS ARE BEING CREATED
IN THE NORTH AND IMMEDIATELY JOINING INTERSINDICAL.
THE DRAFTSMEN'S UNION WAS RECAPTURED BY THE COMMUNISTS
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IN A QUICKLY CALLED ELECTION HELD DURING THE AUGUST
VACATION PERIOD.

9. COMMENT: THE SOCIALIST UNIONS, DIVIDED AMONG THEMSELVES,
HAVE LOST MUCH OF THE INITIATIVE AND ELAN WHICH
CARRIED THEM INTO THEIR PRESENT PREDICAMENT. AS THE

INITIATIVE FOR THE REUNIFIED LABOR MOVEMENT ORIGINALLY CAME FROM THE PS, IT IS DIFFICULT TO SEE HOW THEY CAN AVOID EVENTUALLY GOING THROUGH WITH THE CONGRESS. INTERSINDICAL IS IN THE ENVIABLE POSITION OF BEING ABLE TO BARGAIN FROM STRENGTH. IT CAN ACCEDE TO ALMOST ANY CONCESSION THAT THE PS MIGHT DEMAND AND STILL HAVE THE ABILITY TO MANIPULATE THE CONGRESS -- AND THE RESULTING UNIFIED LABOR MOVEMENT -- TO ITS OWN ENDS.

10. THE DECISION ON THE HANDLING OF THE CONGRESS WILL OBVIOUSLY BE A POLITICAL MATTER OF THE HIGHEST ORDER FOR THE SOCIALISTS. SOARES, BY CONTINUING NEGOTIATIONS, IS APPARENTLY HOPING TO KEEP SOME PRESSURE ON THE COMMUNISTS TO AVOID ALL-OUT LABOR AGITATION, AT LEAST UNTIL 1977. EVERY STEP DOWN THIS ROAD, HOWEVER, BRINGS THE PS EVER CLOSER TO THE POINT WHERE THEY EITHER HAVE TO ACCEPT A UNIFIED LABOR CONFEDERATION (WITH THE PCP ALMOST CERTAINLY IN A PREDOMINANT ROLE) OR BEAR THE RESPONSIBILITY FOR A DIVIDED LABOR MOVEMENT.
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